

# Komerční banka Group

## Financial results as of 30 June 2013

According to International Financial Reporting Standards, consolidated, unaudited

Prague, 1 August 2013

NA PARTNERSTVÍ ZÁLEŽÍ



## Disclaimer

This document contains a number of forward-looking statements relating to the targets and strategies of the Komerční banka Group. These statements are based on a series of assumptions, both general and specific. As a result, there is a risk that these projections will not be met. Readers are therefore advised not to rely on these figures more than is justified as the Group's future results are liable to be affected by a number of factors and may therefore differ from current estimates.

Readers are advised to take into account factors of uncertainty and risk when basing their investment decisions on information provided in this document.

Results and ratios in this presentation are as of 30 June 2013, unless stated otherwise.

Komerční banka, a.s., public limited company with registered office: Prague 1, Na Příkopě 33/ 969; identification number: 45 31 70 54; registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, file 1360

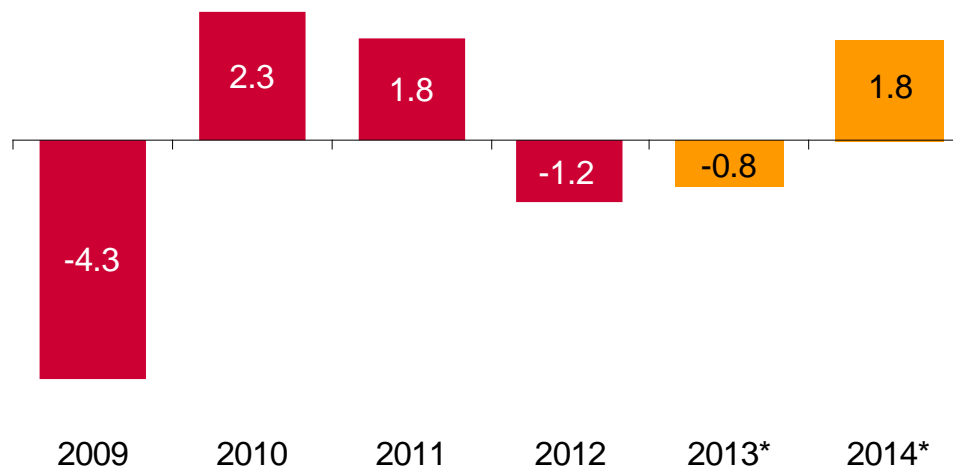
# Agenda

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# Czech economy

- Contraction of the Czech economy -1.3% QoQ (-2.4% YoY) in 1Q 2013 driven by temporary factors – bad weather, decline in inventories, tobacco stockpiling
- Household & government consumption, fixed investments and net exports contributed positively to QoQ growth in 1Q 2013
- Low CPI, stabilised unemployment and real estate prices, completed austerity measures expected to underpin recovery in consumer confidence from depressed levels
- Sustained profitability, low interest rates and weaker CZK positive for recovery in industrial sectors (unless further drop hits automotive sector or demand from Germany)
- CNB policy 2W repo rate kept at 0.05%. Long-term rates increased reflecting global trends (10Y CZGB yield above 2% from below 1.6% in May)

Real GDP outlook (YoY, %)



Source: CSO, 2013-2014\* KB Economic & Strategy Research forecasts

Unemployment rate in the Czech Republic



Source: MLSA

Sources of data: Czech Statistical Office, CNB, KB

# Key results as of 30 June 2013

- Gross volume of loans to clients rose by 4.1% to CZK 475.0 billion
- Client deposits expanded by 1.8% to CZK 591.0 billion (excluding repo operations with clients)
- Excellent liquidity, net loans-to-deposits ratio at 79.8% (excluding client assets in transformed pension fund)
- Solid capital adequacy, Basel II Core Tier 1 ratio at 16.2%
- Revenues decreased by 8.3% to CZK 15,509 million, affected by one-off gains booked last year. Underlying decline by 4.9% mainly due to low interest rates on the market, low activity in the Czech economy and intense competition
- Operating expenditures lower by 1.6% to CZK 6,409 million. Cost-to-income ratio at 41.3%
- Cost of risk declined by a slight 1.5% to CZK 964 million
- Attributable net profit decreased by 17.0% to CZK 6,310 million. Net profit excluding one-off items was down 10.6%

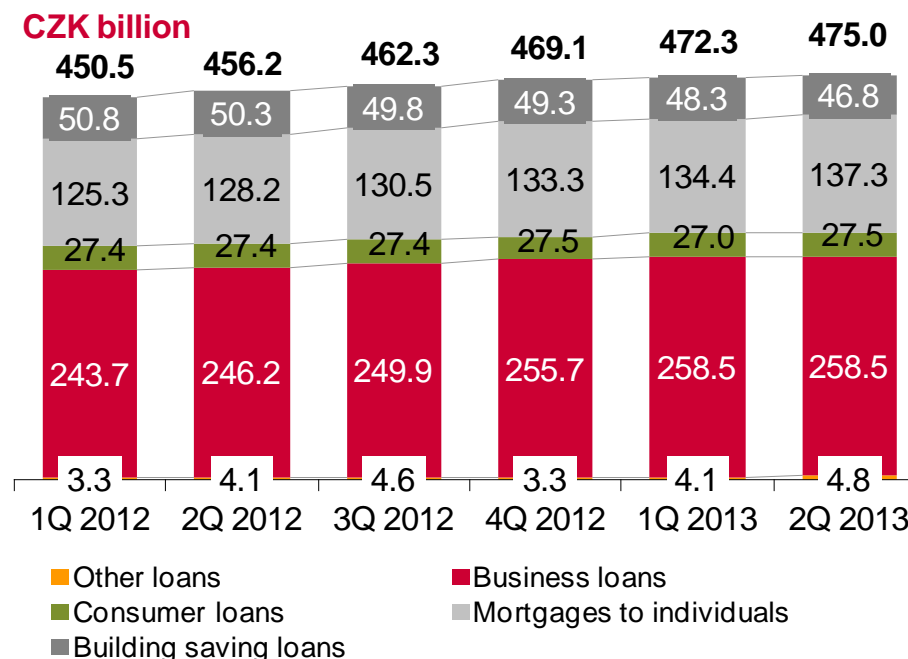
Note: year over year comparisons, results for the first six months of 2013

# Business highlights

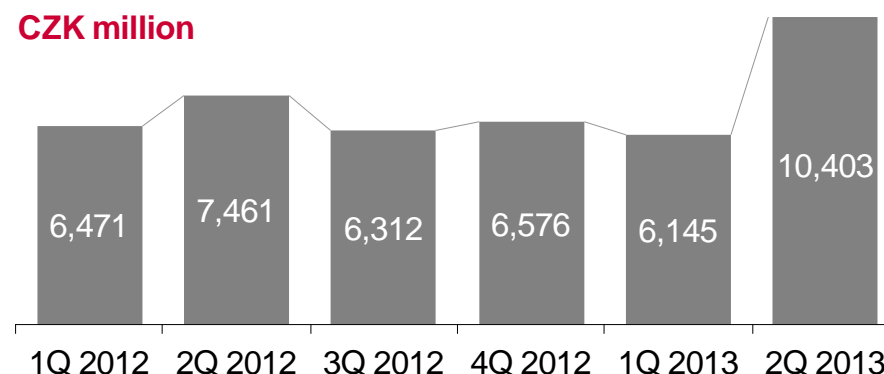
- Komerční banka continued its support to consumers, businesses and communities through sustained growth of lending
- Expansion of the mortgage portfolio boosted by dynamic sales in the second quarter. KB streamlined the granting process for mortgages, which enhanced the competitiveness of KB mortgages, while maintaining solid profitability and not compromising credit risk standards
- The volume of assets under management among KB Group companies rose decisively, with particularly dynamic growth of assets in mutual funds, reserves in life insurance and pension assets
- In partnership with the Association of Small and Medium-Sized Enterprises and Crafts of the Czech Republic, KB launched a programme offering grants of as much as CZK 300,000 for starting up businesses. The programme complements the advisory services and the offer of the Profi account package that is provided at no charge for new businesses
- Telefónica Czech Republic in May chose ESSOX as provider of financing for mobile handsets for its clients. The clients can pay by instalments over as long as 24 months for any selected device from the Telefónica O2 offer – and without paying an added finance charge
- KB's Flexible mortgage won the Zlatá koruna (Golden crown) award for the best mortgage on the Czech market

# Lending to clients

- Gross loans rose 4.1% YoY, +0.6% QoQ. Most dynamic were mortgages and loans to corporations - export financing in particular
- Business loans up 5.0% YoY, of which:
  - Small businesses (KB) +1.5% to CZK 28.6 bil.
  - Corporations (KB) +5.3% to CZK 205.5 billion
  - Factoring KB +33.3% to CZK 4.0 billion
  - SGEF +2.2% to CZK 20.4 billion
- Mortgages to individuals up 7.2% YoY to CZK 137.3 billion
- Loans from Modrá pyramida down 6.8% YoY to CZK 46.8 billion, influenced by clients' preference for mortgages
- Consumer loans provided by KB and ESSOX up by 0.3% YoY to CZK 27.5 billion
- Irrevocable off-balance sheet commitments down 2.2% YoY, +3.1% QoQ (to CZK 155.8 billion)

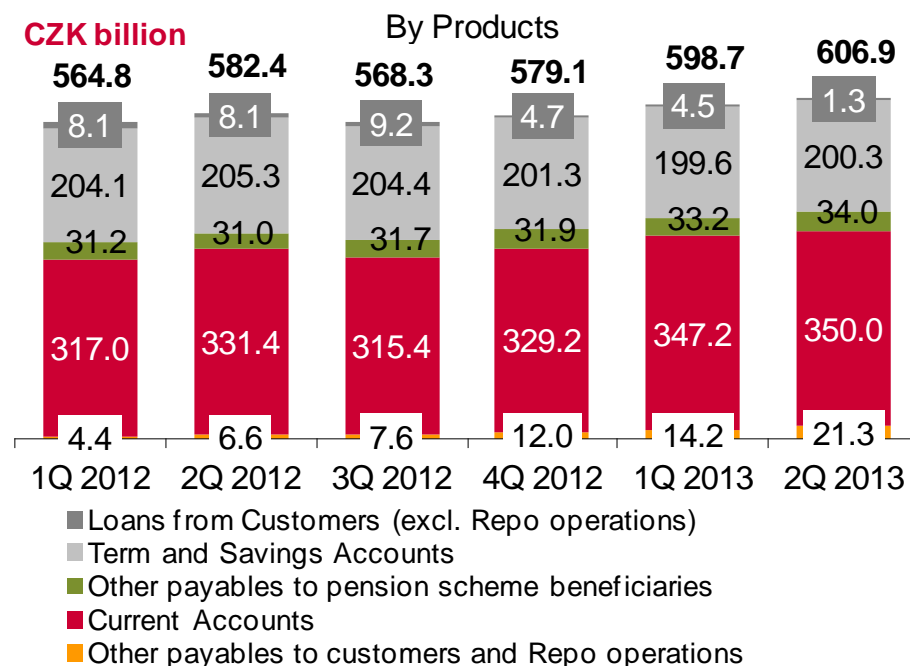
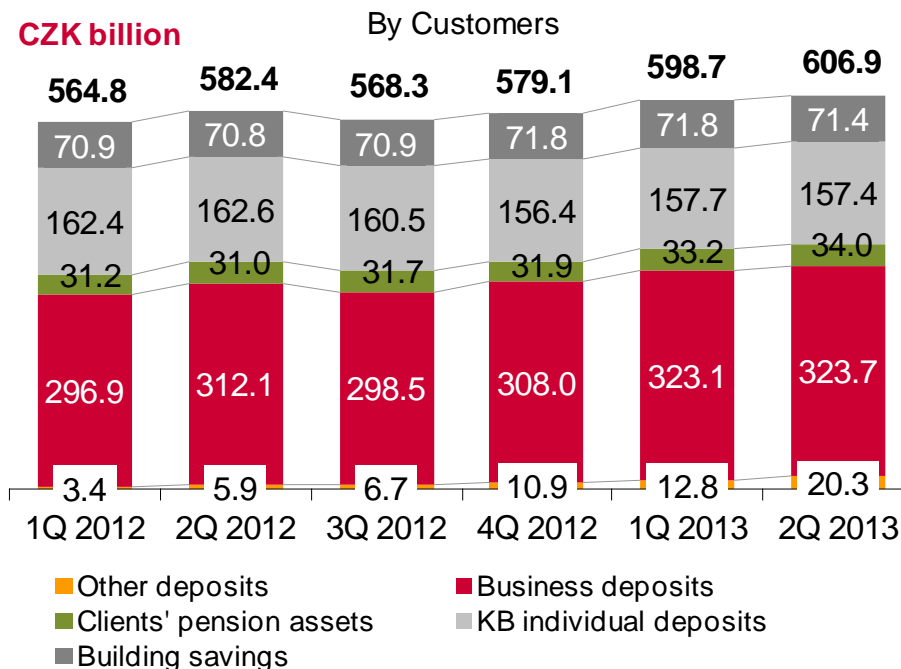


## Sales volume of mortgages to individuals



# Deposits and assets under management

- Group deposits 1.8% YoY to CZK 591.0 billion, +0.2% QoQ (excluding repos with clients). Total amounts due from clients +4.2% YoY
- Volumes on current accounts rose by 5.6% to CZK 350.0 billion
- Deposits from business clients increased by 3.7% YoY to CZK 323.7 billion
- KB (bank) deposits from individuals decreased by 3.2% YoY to CZK 157.4 billion
- Clients' pension assets in Transformed Fund grew by 9.8% YoY to CZK 34.0 billion
- MPSS deposits up 0.9% YoY to CZK 71.4 bil.
- KP life insurance technical reserves up 20.4% YoY to CZK 31.3 billion
- AUM in mutual funds (sold through KB) increased by 19.5% YoY to CZK 29.9 billion





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# Consolidated financial results

<b>Profit and Loss Statement</b>	1H 2012	1H 2012	1H 2013	Change	Change
(CZK million, unaudited)	Reported	Recurring	Reported = Recurring	YoY Reported	YoY Recurring
Net interest income	11,056	11,056	10,587	-4.2%	-4.2%
Net fees & commissions	3,558	3,622	3,526	-0.9%	-2.7%
Income from financial operations	2,246	1,579	1,326	-41.0%	-16.0%
Other income	56	56	71	26.8%	26.8%
<b>Net banking income</b>	<b>16,916</b>	<b>16,313</b>	<b>15,509</b>	<b>-8.3%</b>	<b>-4.9%</b>
Personnel expenses	-3,345	-3,345	-3,315	-0.9%	-0.9%
General administrative expenses	-2,317	-2,317	-2,228	-3.8%	-3.8%
Depreciation, impairment and disposal of fixed assets	-854	-854	-866	1.4%	1.4%
<b>Operating costs</b>	<b>-6,516</b>	<b>-6,516</b>	<b>-6,409</b>	<b>-1.6%</b>	<b>-1.6%</b>
<b>Gross operating income</b>	<b>10,400</b>	<b>9,797</b>	<b>9,099</b>	<b>-12.5%</b>	<b>-7.1%</b>
Cost of risk	-979	-979	-964	-1.5%	-1.5%
<b>Net operating income</b>	<b>9,421</b>	<b>8,818</b>	<b>8,135</b>	<b>-13.7%</b>	<b>-7.7%</b>
Profit on subsidiaries and associates	60	60	74	23.3%	23.3%
Share of profit of pension scheme beneficiaries	-396	-258	-259	-34.6%	0.3%
<b>Profit before income taxes</b>	<b>9,084</b>	<b>8,619</b>	<b>7,950</b>	<b>-12.5%</b>	<b>-7.8%</b>
Income taxes	-1,356	-1,436	-1,457	7.4%	1.4%
<b>Net profit</b>	<b>7,728</b>	<b>7,183</b>	<b>6,493</b>	<b>-16.0%</b>	<b>-9.6%</b>
Minority profit/(loss)	123	123	183	48.8%	48.8%
<b>Net profit attributable to equity holders</b>	<b>7,604</b>	<b>7,059</b>	<b>6,310</b>	<b>-17.0%</b>	<b>-10.6%</b>

Note: "Recurring" results have been adjusted for the following one-off items: 1H 2013 - none, 1H 2012 – sale of bonds in PF KB (impact on net profit CZK 39 mil.), amortisation of client acquisition commissions in PF KB (CZK 19 mil.), sale of participation in ČMZRB (CZK 830 mil.), sale of Greek and Portuguese government bonds ( CZK -343 mil.)

# Consolidated statement of financial position

<b>Balance Sheet</b> (CZK million, unaudited)	<b>30 Jun 2012</b>	<b>31 Dec 2012</b>	<b>30 Jun 2013</b>	<b>Change YoY</b>	<b>Change YtD</b>
<b>Assets</b>	<b>777,018</b>	<b>786,836</b>	<b>795,808</b>	<b>2.4%</b>	<b>1.1%</b>
Cash and balances with central bank	15,999	28,057	45,780	186.1%	63.2%
Amounts due from banks	100,058	64,111	75,781	-24.3%	18.2%
Loans and advances to customers (net)	439,272	451,547	457,551	4.2%	1.3%
Securities and trading derivatives	180,705	196,706	179,499	-0.7%	-8.7%
Other assets	40,983	46,415	37,196	-9.2%	-19.9%
<b>Liabilities and shareholders' equity</b>	<b>777,018</b>	<b>786,836</b>	<b>795,808</b>	<b>2.4%</b>	<b>1.1%</b>
Amounts due to banks	36,350	38,901	27,776	-23.6%	-28.6%
Amounts due to customers	582,384	579,067	606,859	4.2%	4.8%
Securities issued	18,767	19,624	23,616	25.8%	20.3%
Other liabilities	52,708	48,705	47,643	-9.6%	-2.2%
Subordinated debt	0	0	0	n.a.	n.a.
Shareholders' equity	86,809	100,538	89,913	3.6%	-10.6%

# Financial ratios

Key ratios and indicators (year-to-date)	30 Jun 2012	31 Dec 2012	30 Jun 2013	Change YoY
Capital adequacy (Basel II)	14.6%	14.7%	16.2%	▲
Tier 1 ratio (Basel II)	14.6%	14.7%	16.2%	▲
Total capital requirement (CZK billion)	29.6	29.3	29.2	-1.1%
Capital requirement for credit risk (CZK billion)	24.8	24.7	24.6	-0.7%
Net interest margin (NII/Av. interest bearing assets), annualised	3.2%	3.1%	2.9%	▼
Loans (net) / deposits ratio	75.4%	78.0%	75.4%	▼
Loans (net) / deposits ratio excl. TF client assets	79.5%	82.5%	79.8%	▲
Cost / income ratio	38.5%	41.3%	41.3%	▲
Return on average equity (ROAE), annualised	18.6%	15.8%	13.6%	▼
Adjusted return on average equity (adjusted ROAE), annualised*	22.3%	19.6%	17.0%	▼
Return on average assets (ROAA), annualised	2.0%	1.8%	1.6%	▼
Earnings per share (CZK), annualised	403	369	334	-17.0%
Average number of employees during the period	8,792	8,758	8,624	-1.9%

\* Adjusted ROAE is computed as net profit attributable to equity holders divided by (average Group shareholders' equity w/o minority equity, cash flow hedging and revaluation of AFS securities)

# Shareholders' equity

Development year-to-date

Total shareholders' equity  
as of 31 December 2012

**-10,625**



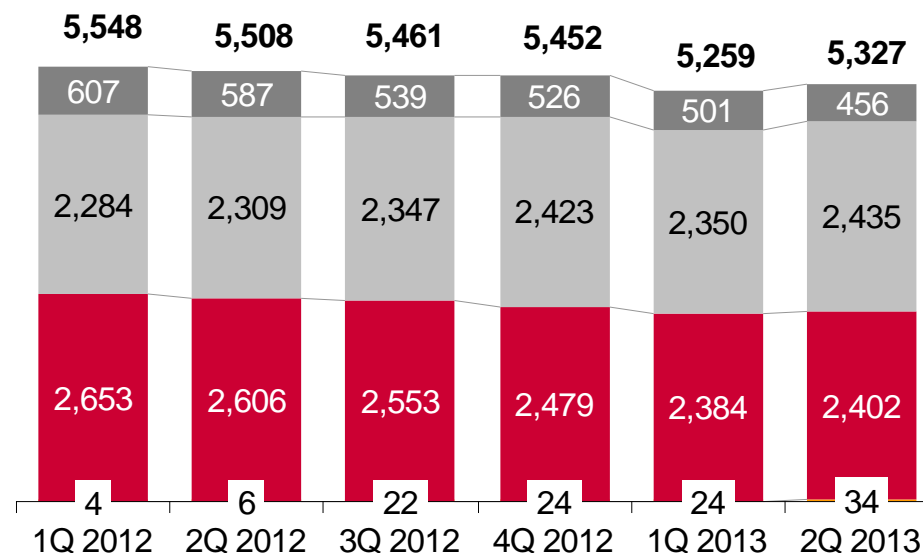
Total shareholders' equity  
as of 30 June 2013

Shareholders' equity	31/12/2012	1/1/2013	Increase	Decrease	30/6/2013
<b>Share capital</b>	19,005	19,005			19,005
Capital and reserve funds	42,181	56,135		-8,723	47,412
- Retained earnings, reserve funds and dividends	42,906	56,861		-8,723	48,137
- Treasury shares	-726	-726			-726
Current year attributable net profit	13,954	0	6,310		6,310
Cash flow hedge	14,271	14,271		-6,184	8,087
AFS securities' fair value changes	8,118	8,118		-1,965	6,153
Others	240	240	23		263
Minority equity	2,769	2,769		-85	2,683
<b>Total Shareholders' equity</b>	<b>100,538</b>	<b>100,538</b>	<b>6,333</b>	<b>-16,958</b>	<b>89,913</b>
Equity for adjusted ROAE calculation*	71,362	71,362	2,823		74,185

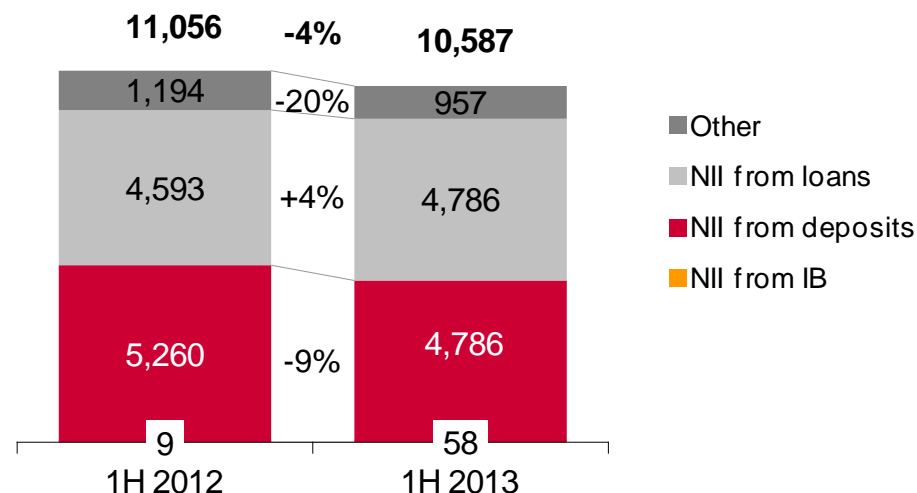
\* Average Group shareholders' equity w/o minority equity, cash flow hedging and revaluation of AFS securities

# Net interest income

- NII in 1H 2013 down by 4.2% YoY. 2Q up by 1.3% QoQ
- NII from loans – up thanks to growth of volumes. Rising share of relatively lower-spread loans (mortgages, corporate loans)
- Costs of funds and loan management of mortgages and consumer loans offered from 2013 covered by single price in the form of interest rate
- NII from deposits – yield from reinvestment of deposits trending down due to low market interest rates. Market rates gradually reflected in pricing
- NII from other – lower yield on reinvestment of capital due to low interest rates. Affected by divestments of government bonds from Southern Europe in 2012 and 2013

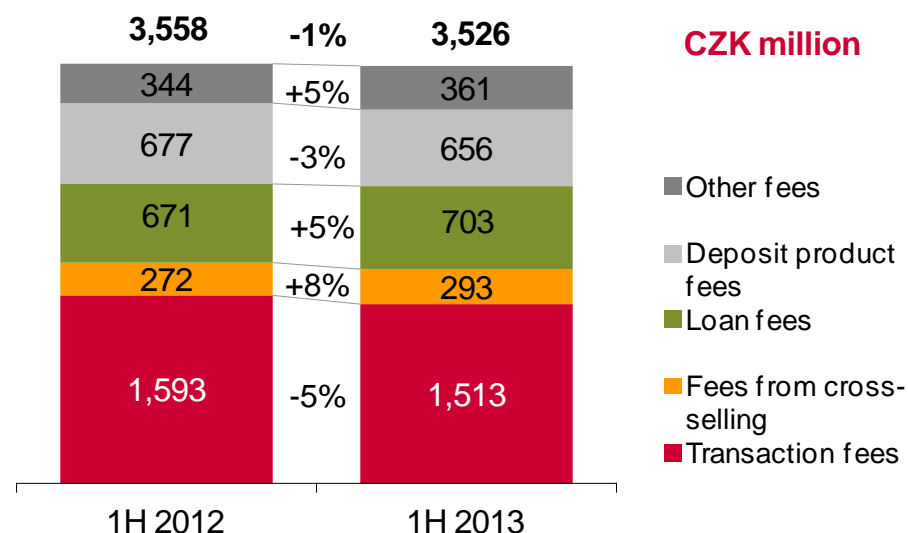
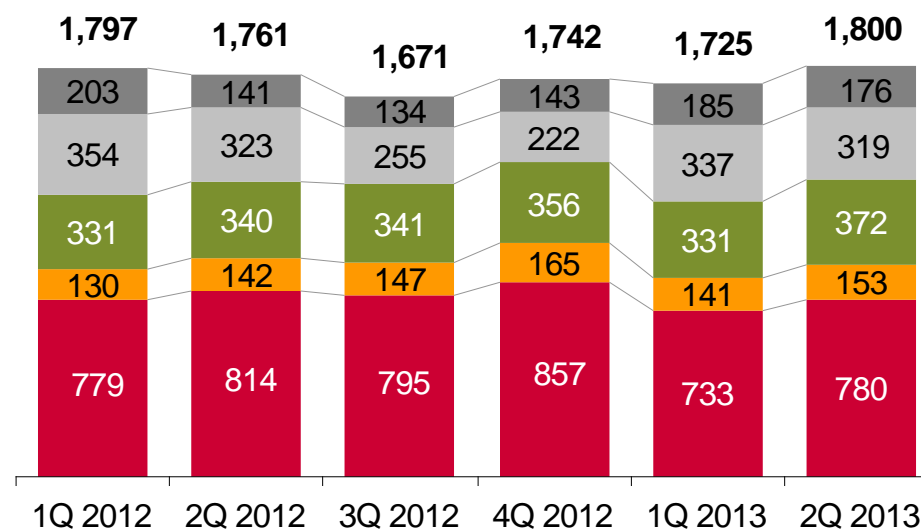


CZK million



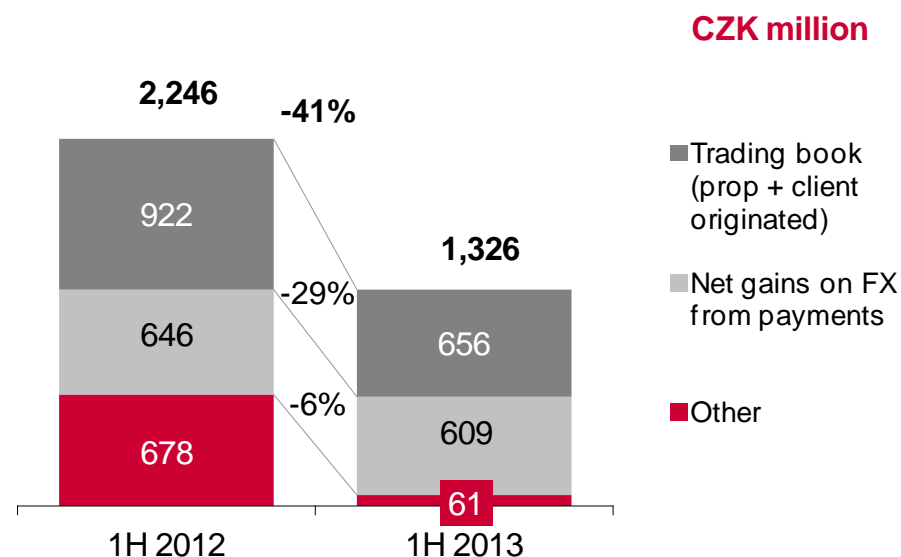
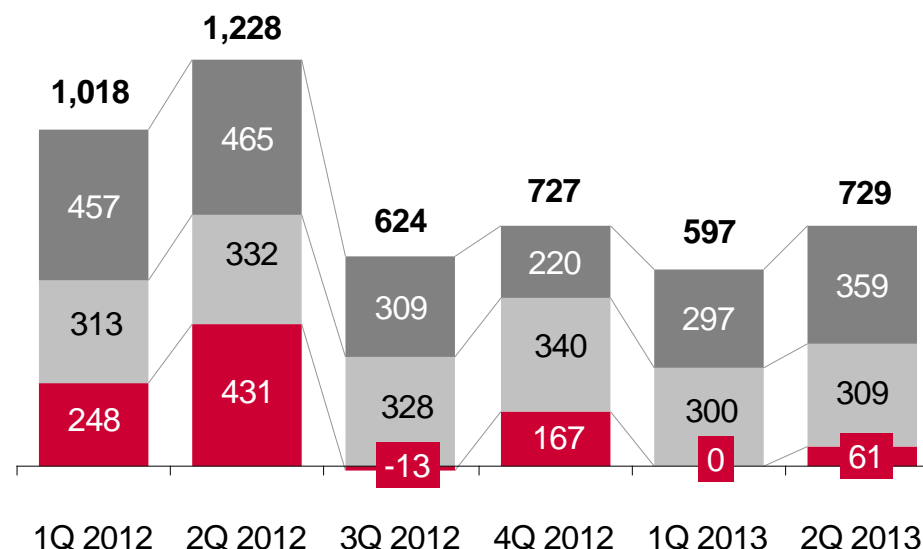
# Net fees and commissions

- NFC in 1H 2013 down by 0.9% YoY. NFC in 2Q 2013 increased by 4.3% QoQ
- Deposit product fees – lower income from account maintenance upon continuing transition to new packages with rewards. Year 2012 impacted by client acquisition costs in pension fund
- Loan fees – impact of new retail loans pricing policy - remuneration only by interest rate – offset by higher income from fees for early repayment
- Fees from cross-selling – income from mutual funds and life insurance boosted by growth in the volume of client savings
- Transaction fees – decline due to lower average prices and weaker economic activity
- Other fees – better fees for loan syndications, lower volume of bank guarantees due related to drop in construction activity



# Net profit from financial operations

- Net profit from financial operations in 1H 2013 down by 41.0% YoY. 2Q up 22.1% QoQ
- Comparison affected by exceptional items in 1H 2012 (sale of stake in CMZRB Bank, gains from adjustment of pension fund portfolio, divestment of Greek and Portuguese bonds)
- Demand for FX hedging underpinned by increased volatility of CZK. Income from money market operations subdued in low yield and low volatility conditions
- Improved result of treasury operations in 2Q 13 reflecting steepening of CZK IRS curve
- Net gains from FX payments reflect lower export and import turnover and declining average spreads



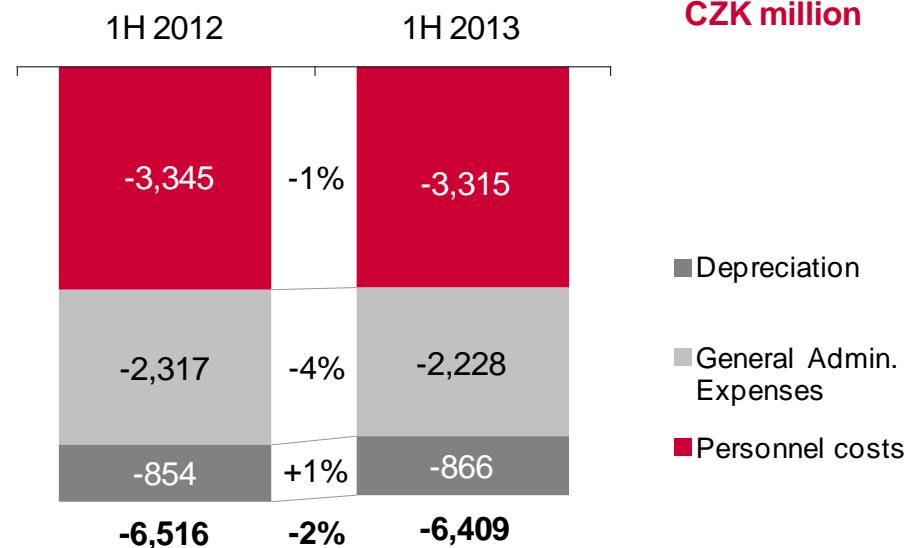
CZK million

- Trading book (prop + client originated)
- Net gains on FX from payments
- Other



# Operating costs

- OPEX in 1H 2013 down by 1.6% YoY. 2Q up by 5.7% QoQ
- Personnel costs in 1H 2013 decreased by 0.9% YoY, driven by lower number of employees by 1.9% and lower accrual for bonuses
- General administrative expenses decreased by 3.8%. Main savings achieved on costs of mailing services (related to switch to electronic account statements), marketing and telecommunications. Higher costs linked to roll out of contactless payment cards and related infrastructure
- Depreciation & Amortisation in 1H 2013 up by 1.4% on higher amortisation of software applications partly offset by lower depreciation of buildings and IT hardware



CZK million

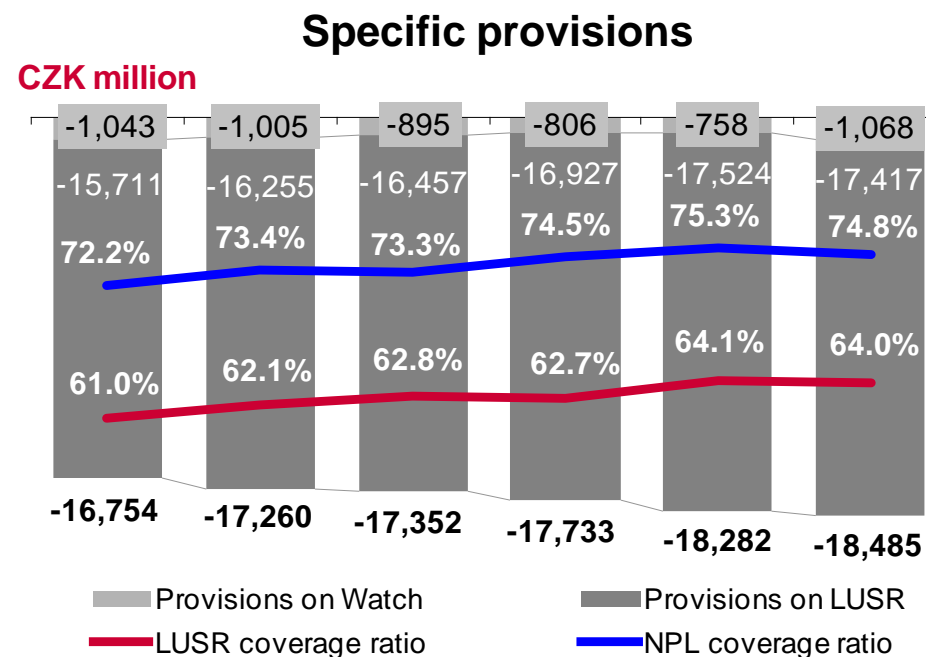
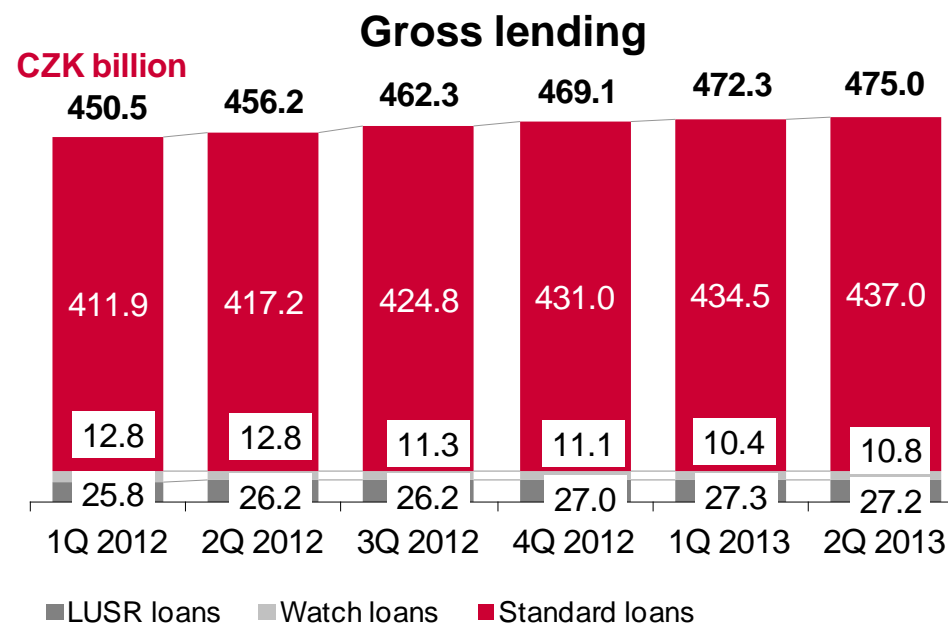
- Depreciation
- General Admin. Expenses
- Personnel costs

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# Loan quality

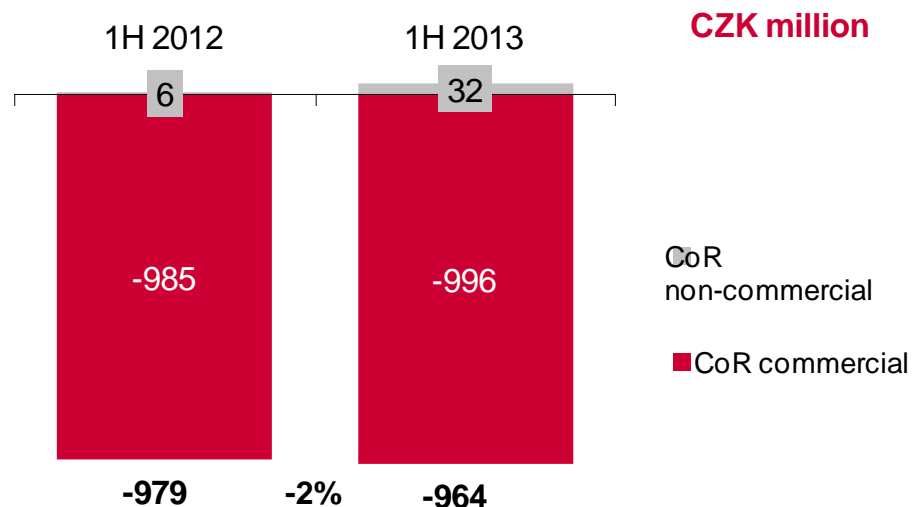
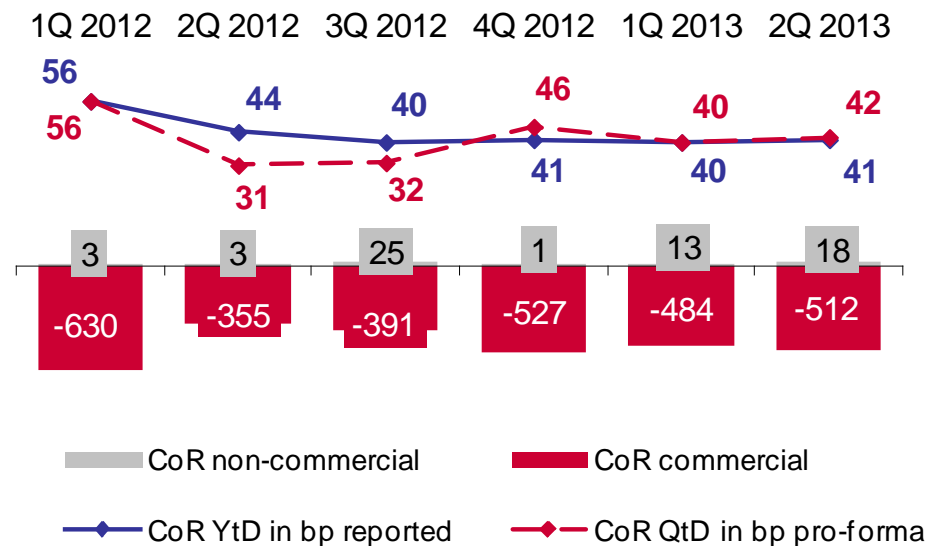
- Loan exposure +4.1% YoY, +0.6% QoQ
- Share of Standard and Watch loan exposure stable at 94.3% (94.2% in 1Q 2013)
- Stable share of LUSR exposure at 5.7% (5.8% in 1Q 2013)
- Stable share of NPL exposure at 3.9% (3.9% in 1Q 2013). QoQ NPL exposure stable at CZK 18.6 billion (CZK 18.5 billion in 1Q 2013)
- Provision coverage ratio for both LUSR and NPL portfolio flat QoQ
- Watch provisions +40.8% QoQ resulting from one-off adjustment of prudential provision policy applied to corporate portfolio



# Cost of risk

- 1H 2013 CoR -1.5% YoY, 2Q 2013 cost of risk +5.1% QoQ
- YoY increase in 2Q 2013 total cost of risk driven by one-off release on corporate segment in 2Q 2012
- 2Q 2013 contribution to cost of risk by KB group entities: KB 91%, ESSOX 6%, Modrá pyramida 2%, Factoring KB 1%, SGEF 0%

## Total Cost of Risk development



Note: income from written-off receivables included into commercial cost of risk since 1Q 2012.

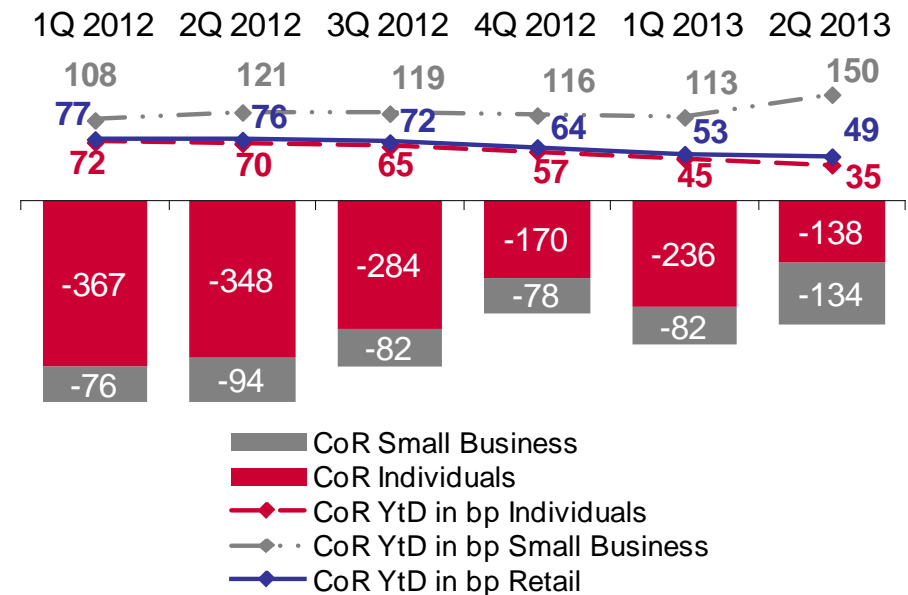
# Commercial cost of risk - zoom on client segments

- 2Q 2013 corporate cost of risk increase driven by prudential provisioning of Watch portfolio
- 1H 2013 corporate cost of risk up to 35 bps from 9 bps in 1H 2012 (affected by one-off release)
- QoQ decrease in retail cost of risk thanks to improvement on Individuals (driven by mortgages) partially offset by increased cost of risk on small business
- 1H 2013 retail cost of risk down to 49 bps from 76 bps in 1H 2012 driven by individuals

## KB Group – Corporate Segments



## KB Group – Retail Segments



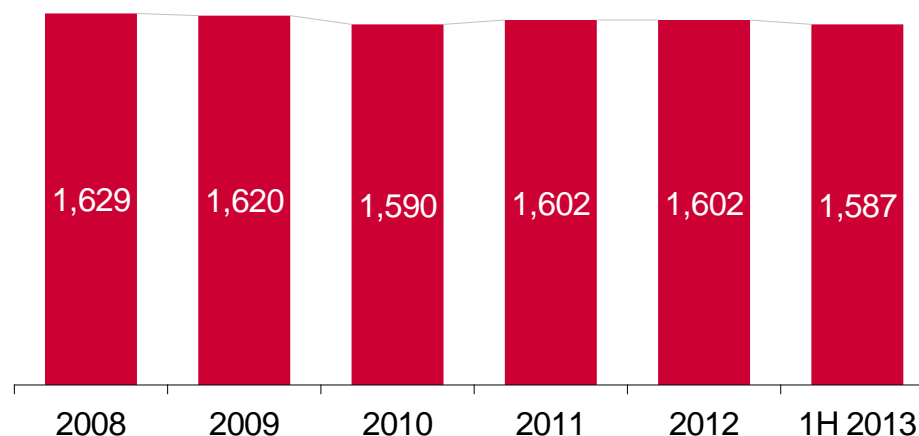
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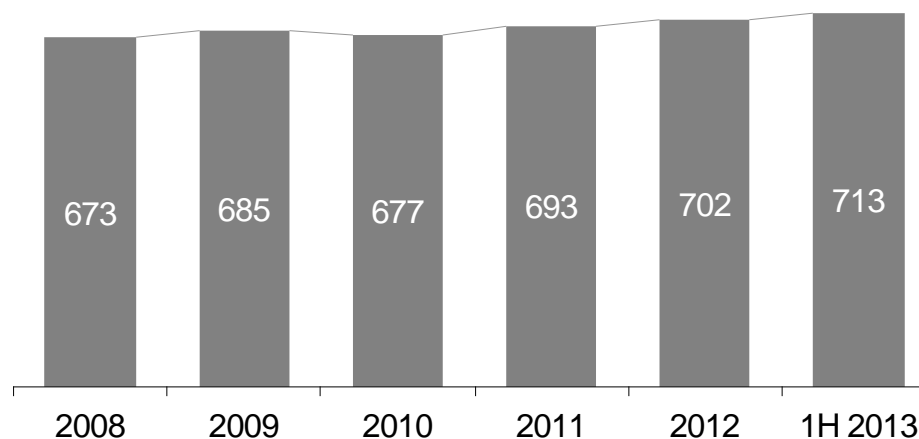
# Number of clients and distribution network

- KB Group's 2.5 million clients, of which
  - KB bank 1,587,000 clients (-1%)
  - MPSS 586,000 clients (-7%)
  - KBPS 563,000 clients (+9%)
  - ESSOX 266,000 active clients (-4%)
- Network
  - 398 branches for retail clients, 10 corporate divisions and 4 divisions for large corporate clients in CZ, 1 in Slovakia
  - 713 ATMs
  - MPSS: 208 points of sale; 1,016 sales agents (of which 585 full-time professionals)
  - SGEF: 7 branches in CZ, 2 in Slovakia
- Direct Channels
  - 1,133,000 clients (i.e. 71% of KB client base) using direct banking channels
  - Two call centres, internet and mobile banking

Number of bank clients (ths., CZ)



Number of ATMs



# Consolidated financial results

<b>Profit and Loss Statement</b>	<b>2Q 2012</b>	<b>1Q 2013</b>	<b>2Q 2013</b>	<b>Change YoY</b>	<b>Change QoQ</b>
(CZK million, unaudited)					
Net interest income	5,508	5,259	5,327	-3.3%	1.3%
Net fees & commissions	1,761	1,725	1,800	2.2%	4.3%
Income from financial operations	1,228	597	729	-40.6%	22.1%
Other income	29	33	38	31.0%	15.2%
<b>Net banking income</b>	<b>8,526</b>	<b>7,614</b>	<b>7,895</b>	<b>-7.4%</b>	<b>3.7%</b>
Personnel expenses	-1,671	-1,634	-1,681	0.6%	2.9%
General administrative expenses	-1,190	-1,044	-1,184	-0.5%	13.4%
Depreciation, impairment and disposal of fixed assets	-453	-438	-428	-5.5%	-2.3%
<b>Operating costs</b>	<b>-3,314</b>	<b>-3,116</b>	<b>-3,293</b>	<b>-0.6%</b>	<b>5.7%</b>
<b>Gross operating income</b>	<b>5,212</b>	<b>4,498</b>	<b>4,602</b>	<b>-11.7%</b>	<b>2.3%</b>
Cost of risk	-352	-470	-494	40.3%	5.1%
<b>Net operating income</b>	<b>4,860</b>	<b>4,027</b>	<b>4,108</b>	<b>-15.5%</b>	<b>2.0%</b>
Profit on subsidiaries and associates	34	35	40	17.6%	14.3%
Share of profit of pension scheme beneficiaries	-80	-133	-126	57.5%	-5.3%
<b>Profit before income taxes</b>	<b>4,814</b>	<b>3,929</b>	<b>4,022</b>	<b>-16.5%</b>	<b>2.4%</b>
Income taxes	-637	-705	-753	18.2%	6.8%
<b>Net profit</b>	<b>4,177</b>	<b>3,224</b>	<b>3,269</b>	<b>-21.7%</b>	<b>1.4%</b>
Minority profit/(loss)	62	78	105	69.4%	34.6%
<b>Net profit attributable to equity holders</b>	<b>4,115</b>	<b>3,146</b>	<b>3,164</b>	<b>-23.1%</b>	<b>0.6%</b>



# KB consolidated group

Pension insurance	KB Penzijní společnost (100%)	Asset management company for Transformed Fund (pension fund with 563,000 clients) and for new pension funds in 2nd and 3rd pillars of the Czech pension system
Building society	Modrá pyramida stavební spořitelna (100%)	#2 largest building savings bank according to loan volume with 586,000 clients and 1,016 strong agent distribution network
Consumer credit	ESOX (50.93%)	Consumer credit and car finance company. #4 non-bank consumer loan provider in the Czech Republic
Insurance	Komerční pojišťovna (49%)	Universal insurance company focused on life insurance
Corporate services	KB, branch in Slovakia	The Slovak business division focuses on serving large corporate clients
	Factoring KB (100%)	#3 on the Czech factoring market, offering domestic, foreign and reverse factoring
	SGEF Czech Republic (50.1%)	Leading provider of asset-backed financing in the Czech Republic and also active in Slovakia

## Business performance of subsidiaries 1/2

		1H 2012	1H 2013	Change YoY
<b>MPSS</b>	Volume of new loans (CZK million)	2,276	1,650	-27%
	Volume of total loans (gross, CZK million)	50,254	46,848	-7%
	Target volume of new contracts (CZK million)	11,484	13,242	15%
	Volume of deposits (CZK million)	74,227	72,239	-3%
	Average number of FTEs	362	341	-6%
	Number of points of sale	224	208	-7%
<b>KB PS</b>	Number of new contracts	50,315	22,199	n.m.*
	Number of clients	516,022	563,007	9%
	Assets under management (CZK million)	30,982	34,343	11%
	of which in transformed fund	n.a.	34,289	n.m.*
	Average number of FTEs	58	53	-9%
<b>ESSOX</b>	Volume of new contracts (CZK million)	2,297	2,461	7%
	Volume of total loans (gross, CZK million)	9,523	9,488	0%
	Average number of FTEs	343	344	0%

\* As part of the pension reform, entry into the old pension funds was possible until November 2012. Since January 2013, the clients may join the new funds of Individual savings (2nd pillar) and/or Supplemental pension savings (3rd pillar)

## Business performance of subsidiaries 2/2

		1H 2012	1H 2013	Change YoY
<b>Factoring KB</b>	Factoring turnover (CZK million)	8,962	11,869	32%
	Volume of total financing (gross, CZK million)	2,977	3,969	33%
	Average number of FTEs	39	41	5%
<b>KP</b>	Newly concluded policies (number)	448,747	379,408	-15%
	of which in life insurance	62,547	54,227	-13%
	of which in non-life insurance	386,200	325,181	-16%
	Premium written (CZK million)	3,234	4,424	37%
	of which in life insurance	3,031	4,207	39%
	of which in non-life insurance	204	217	6%
	Average number of FTEs	154	154	0%
<b>SGEF</b>	Volume of new loans (CZK million)	3,773	3,594	-5%
	Volume of total loans (gross, CZK million)	19,961	20,390	2%
	Average number of FTEs	119	118	-1%

# Standalone results of KB group companies and associated undertakings

	Account. standards	Share of KB	Net Profit	YoY	Equity	YoY	Assets	YoY
<b>CZK million</b>								
KB	IFRS	100%	7 913	15,8%	78 741	3,8%	706 593	3,3%
- o/w KB branch in Slovakia	IFRS	100%	47	-38,2%	n.a.	n.a.	20 047	21,3%
ESSOX, s.r.o.	IFRS	50,93%	262	36,5%	3 053	3,9%	9 835	2,1%
Factoring KB, a.s.	CAS	100%	45	221,4%	1 592	3,3%	5 216	22,5%
KB Penzijní společnost, a.s.	CAS	100%	-24	n.a.	659	n.a.	845	n.a.
Bastion European Investments S.A.	IFRS	100%	46	0,0%	3 145	-1,0%	6 280	-1,0%
Komerční pojišťovna, a.s.	IFRS	49%	152	24,6%	1 894	8,0%	36 848	23,6%
Modrá pyramida SS, a.s.	IFRS	100%	572	-3,1%	7 386	-0,6%	80 474	-3,3%
SG Equipment Finance ČR s.r.o.	IFRS	50,1%	157	27,6%	2 219	6,6%	24 159	10,5%
KB Real Estate, s.r.o.	IFRS	100%	-1	n.a.	494	n.a.	1 116	n.a.
Protos	IFRS	90%	134	-5,0%	13 596	0,4%	13 637	0,5%
Czech Banking Credit Bureau	CAS	20%	10	42,9%	14	16,7%	44	7,3%

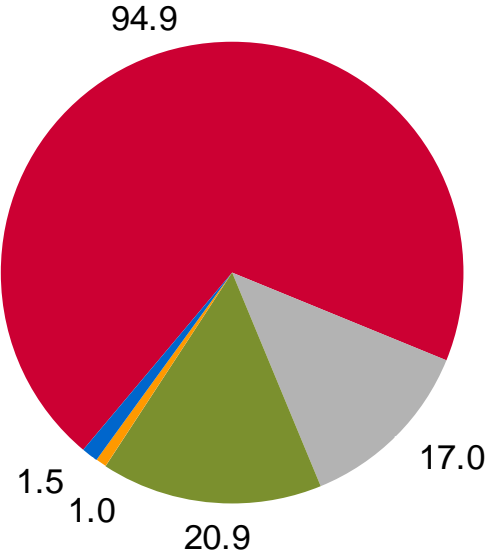
Note: Fully consolidated companies are: Essox, Factoring, KB PS, Bastion, Modra pyramida, SGEF CR, KB Real Estate and Protos. CBCB is not consolidated.

# Securities portfolio in the banking book

CZK billion

Available-for-sale portfolio

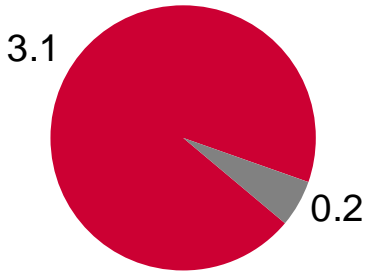
CZK 135.4 billion



- Czech sovereign
- Foreign sovereign
- Czech financial institutions
- Foreign financial institutions
- Others

Held-to-maturity portfolio

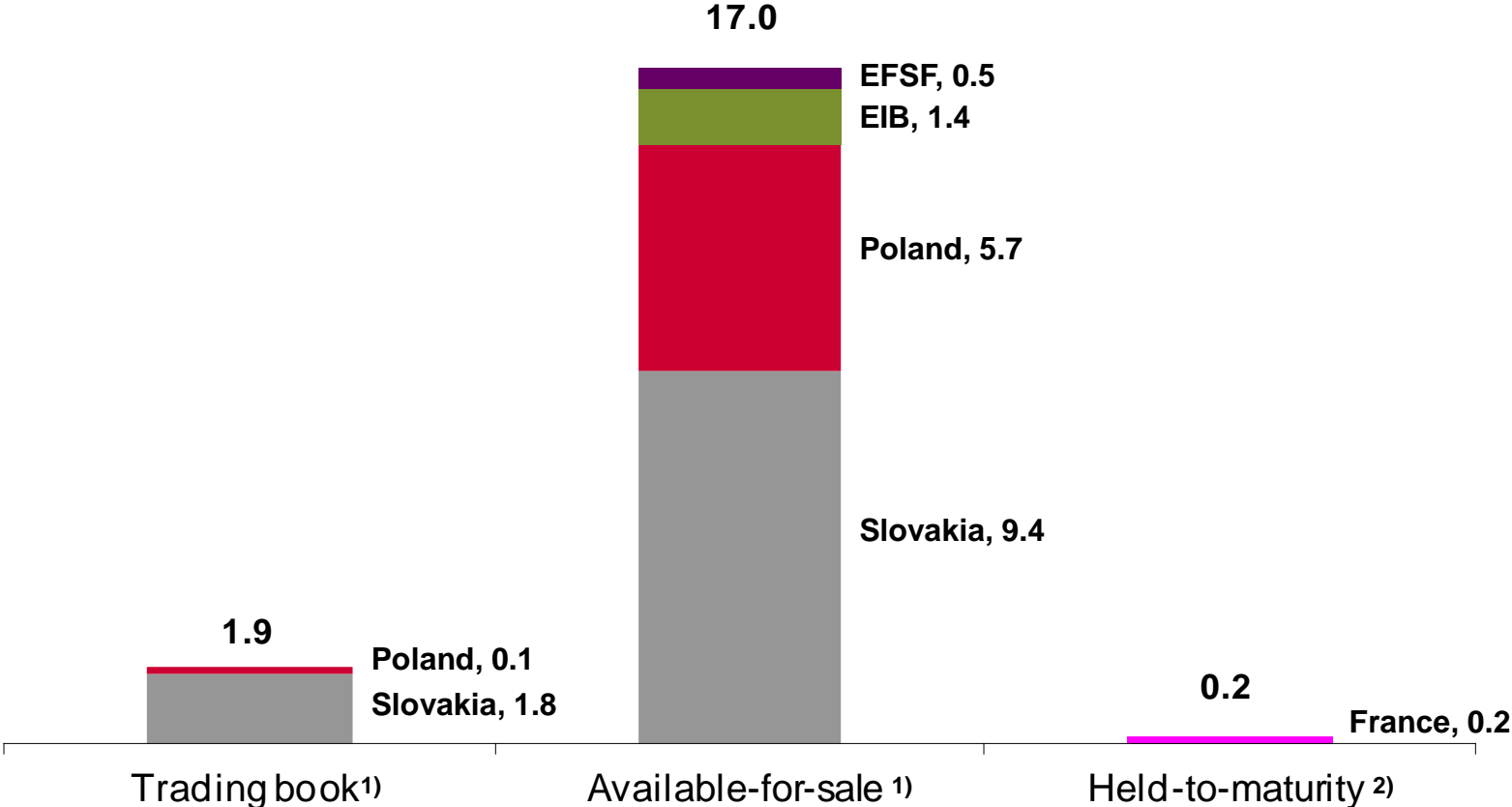
CZK 3.3 billion



- Czech sovereign
- Foreign sovereign

# Foreign sovereign exposure

CZK billion



Measurement at [1] fair value; [2] amortized cost

# Macroeconomic environment – Czech Republic

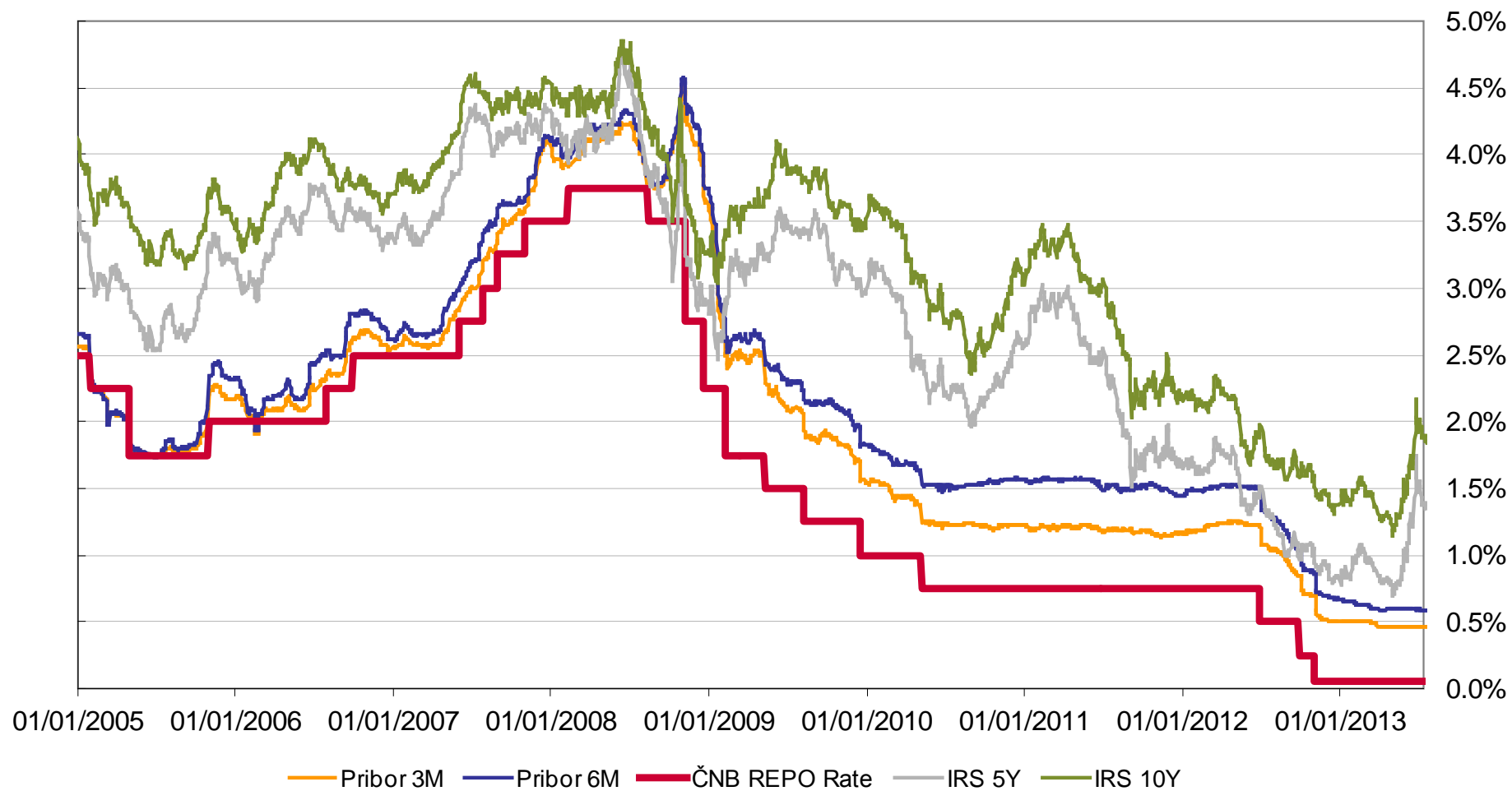
<b>Macroeconomic Indicators</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013*</b>	<b>2014*</b>
Real GDP (% , average)	-4.3	2.3	1.8	-1.2	-0.8	1.8
Inflation (% , average)	1.0	1.5	1.9	3.3	1.5	1.4
Household consumption (% , average)	0.3	0.9	0.5	-2.7	0.7	1.1
Unemployment (% , av., MLSA meth.)	6.4	7.0	6.6	6.8	7.7	7.8
M2 (% , average)	6.2	4.0	3.4	6.0	4.3	4.8
3M PRIBOR (% , average)	2.2	1.3	1.2	1.0	0.5	0.5
<b>Potential of the market **</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013*</b>	<b>2014*</b>
Loans / GDP (year-end)	55.9	57.4	60.3	61.6	64.0	65.3
Real estate loans / GDP (year-end)	18.2	19.2	20.2	21.1	22.2	22.6
Deposits / GDP (year-end)	71.7	73.6	76.3	81.6	84.0	82.9
Household loans / GDP (year-end)	24.3	25.8	26.8	27.7	28.7	29.4

\* KB estimate

\*\* Banking sector

# Interest rates evolution

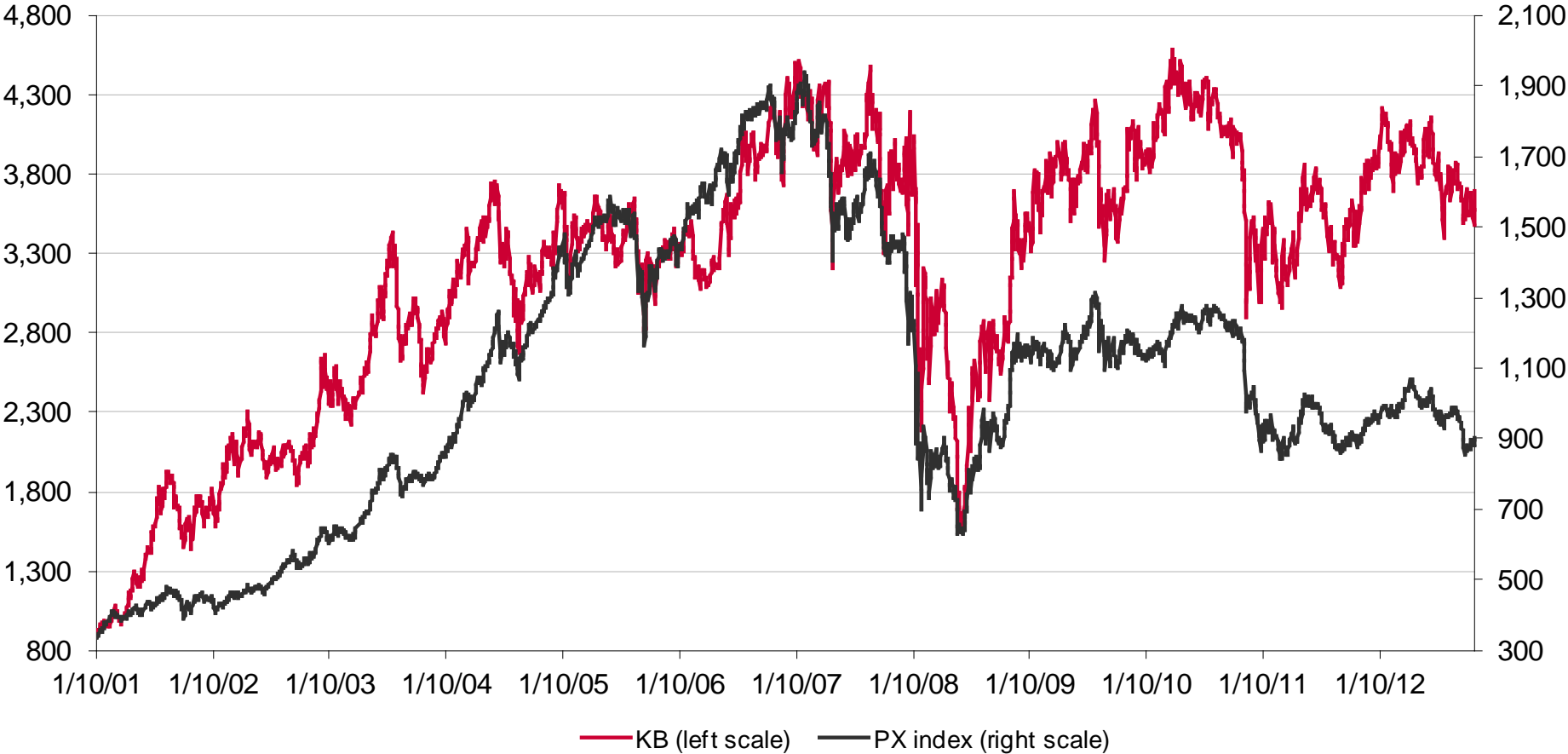
(for the period 1 January 2005 – 24 July 2013)





# Development of KB's share price and PX Index

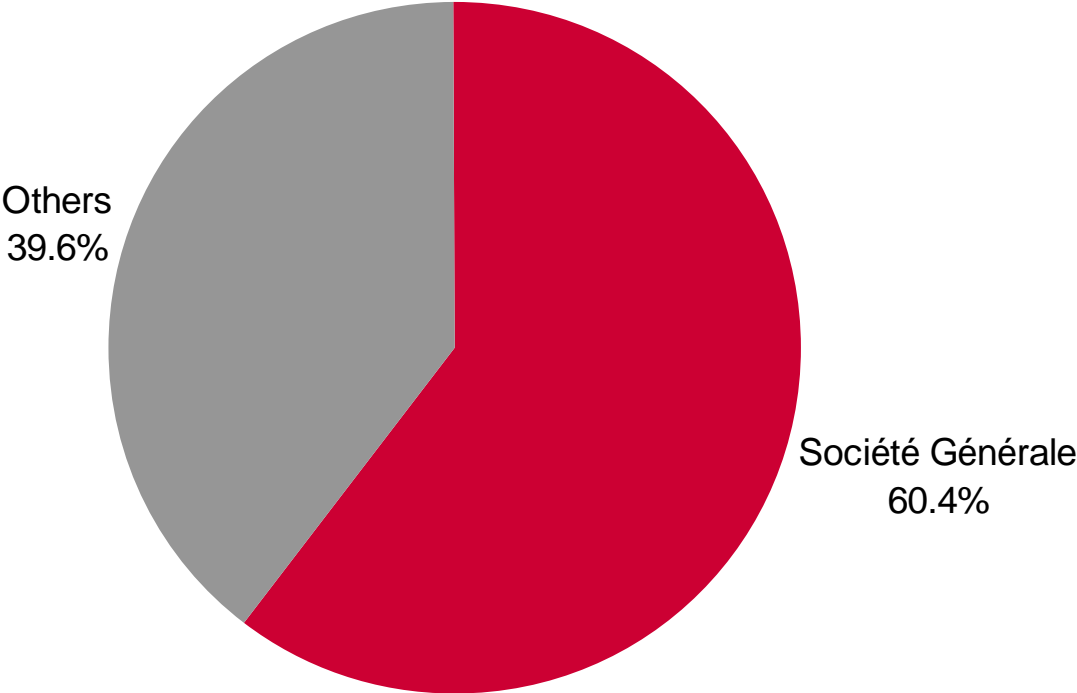
(for the period 1 October 2001 – 24 July 2013)



# KB shareholders

As of 30 June 2013

Shares on registered capital according to excerpt from the Securities centre



As of 30 June 2013, KB held 238,672 own shares in treasury, representing 0.63% stake on registered capital.



## **Investor Relations**

Jakub Černý, Georgina Olegrová, Robert Janeček

Tel.: +420 955 532 156, 955 532 734, 955 532 155

E-mail: [investor\\_relations@kb.cz](mailto:investor_relations@kb.cz) - Internet: [www.kb.cz](http://www.kb.cz)